

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: AIRPORT

AGENDA DATE: July 24, 2012

CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña/780-4724

DISTRICT(S) AFFECTED: 3

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

This item is a Resolution to authorize the City Manager to sign a Third Amendment to the Industrial Site Lease by and between the City of El Paso ("Lessor") and Avis Rent A Car System, Inc. ("Lessee") to provide options to extend the Lease for additional periods for the following described property:

Lots 3 and 3-A, Block 1-C, El Paso International Airport Tracts Unit 6 Replat, El Paso, El Paso County, Texas and municipally known and numbered as 6520 Convair Road.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The Department of Aviation is requesting to amend the lease, which expires on November 4, 2012, to provide an option to extend through August 31, 2014, to allow the Lessee to continue to occupy the property from where they operate their administrative and rental vehicle service functions during the time it takes to design and construct the consolidated rental car facility. The consolidated facility is not scheduled to be completed until the fall of 2014. To accommodate for the construction schedule, the lease amendment also provides for additional options to extend the lease until such time that the new facility will be ready to be occupied by the Lessee. The Lessee will continue to lease 126,963.136 square feet of land at an annual rate of \$10,041.51.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

5/29/2012 –First Amendment to the Temporary Land Use Lease by and between the City of El Paso and EAN Holdings, LLC to extend the term of the lease through August 31, 2013; provide for additional options to extend.

6/28/2011 –First Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession between the City of El Paso and Simply Wheelz, LLC, dba Advantage Rent A Car, to allow for an option to extend the lease through August 31, 2014, and additional options.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

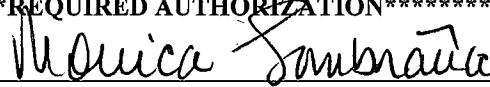
N/A – this is a revenue-generating item

BOARD / COMMISSION ACTION: N/A

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



Monica Lombraña, A.A.E.
Director of Aviation

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Third Amendment to the Industrial Site Lease by and between the City of El Paso ("Lessor") and Avis Rent A Car System, Inc. ("Lessee") to provide options to extend the Lease for additional periods for the following described property:

Lots 3 and 3-A, Block 1-C, El Paso International Airport Tracts
Unit 6 Replat, El Paso, El Paso County, Texas and municipally
known and numbered as 6520 Convair Road.

Dated this ____ day of July 2012.

CITY OF EL PASO

John F. Cook
Mayor


ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



Monica Lombraña, A. A. E.
Director of Aviation

STATE OF TEXAS)
)
COUNTY OF EL PASO)

**THIRD AMENDMENT TO
INDUSTRIAL SITE LEASE**

This Third Amendment to Industrial Park Lease ("Lease") by and between the City of El Paso ("Lessor") and Avis Rent A Car System, Inc. ("Lessee") is made this ____ day of _____, 2012.

WHEREAS, effective November 5, 1962, the Lessor entered into an Industrial Site Lease ("Lease") with Nance Vehicle Rentals, Inc. covering the following described property:

Lot 3, Block 1-C, El Paso International Airport Tracts, City of El Paso, El Paso County, Texas ("Premises");

WHEREAS, the Lease was assigned to Orval W. Story by an Assignment of Lease dated June 11, 1963;

WHEREAS, the Lease was assigned to Vehicle Rentals, Inc. by an Assignment of Lease dated October 11, 1967;

WHEREAS, on August 22, 1968, the Lease was amended to extend the lease term beginning November 5, 1962 and to change the corporate name of the Lessee to read "Vehicle Rentals, Inc.";

WHEREAS, the Lease was amended on January 24, 1969 to include an additional parcel to the leased Premises, and the Premises are Lots 3 and 3-A, Block 1-C, El Paso International Airport Tracts Unit 6 Replat, El Paso, El Paso County, Texas;

WHEREAS, on December 12, 1974, Lessor agreed to a November 12, 1974, Assignment of Lease from Vehicle Rentals, Inc. to Story Enterprises, Inc.;

WHEREAS, on August 17, 1982, Lessor consented to the an Assignment of Leasehold Interest and Improvements to O. W. Story;

WHEREAS, effective November 15, 1991, a Lessor's Approval of Assignment was approved consenting to an assignment of the Lease to Avis Rent A Car System, Inc;

WHEREAS, the Lease will expire on November 4, 2012, and does not provide for any options to extend;

WHEREAS, Lessor anticipates that it will construct a consolidated rental car facility at the El Paso International Airport that will be occupied and used by all on-Airport rental car concessionaires and eliminate each on-Airport rental car concessionaire's need for its own maintenance facility;

WHEREAS, Lessor anticipates that the projected construction for the consolidated rental car facility will be completed and on-Airport rental car concessionaires will be occupying the facility by August 31, 2014,

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Article IV, Term of Leasehold, is, is amended to add a new subparagraph C as follows:

C. **OPTIONS TO EXTEND.** In the event that Lessee is not in default of any terms of this Lease, Lessee shall have the option to extend this Lease through August 31, 2014 ("First Option"). Lessee may exercise the First Option Period by notifying Lessor in writing at least **thirty (30)** days prior to the expiration of the Lease. In the event Lessee exercises its First Option, the Lease shall be extended through August 31, 2014, on the same terms and conditions, except that Ground Rental shall be adjusted as noted below.

If Lessee exercises its First Option to extend the term of the Lease and if Lessee is not in default of any terms of this Lease, Lessor shall have the option to extend this Lease for six (6) additional terms of two (2) months each. Lessor may exercise an option to extend with thirty (30) days notice to Lessee. In the event Lessor exercises any of the identified additional options to extend the lease, the Lease shall be extended on the same terms and conditions.

2. Regardless of the date executed, the Effective Date of this Third Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession shall be November 5, , 2012.

3. Except as expressly modified herein all other terms and conditions of the Lease as amended by that Amendment dated August 22, 1968, and that Amendment dated January 24, 1969, shall remain in full force and effect and shall remain as written unless expressly modified herein.

IN WITNESS WHEREOF, this Third Amendment to the Industrial Site Lease has been executed by the parties hereto as of this ____ day of _____ 2012.

LESSOR: CITY OF EL PASO

Joyce A. Wilson
City Manager

LESSEE: AVIS RENT A CAR
SYSTEM, INC.

By: Robert Bouta

Robert Bouta, Senior Vice President
For Properties & Facilities for Avis Budget Car Rental LLC,
an authorized representative of Avis Rent A Car System, LLC

ACKNOWLEDGMENT

STATE OF New Jersey)

COUNTY OF Morris)

This instrument was acknowledged before me on this 2nd day of July, 2012
by Robert Bouta as S.V.P. authorized rep. of Avis Rent A Car System, Inc.
(Lessee).

Cynthia M. Hermes
Notary Public, State of

My Commission Expires:

4/23/17

CYNTIA M. HERMES
NOTARY PUBLIC
STATE OF NEW JERSEY
NO. 2284899
MY COMM. EXP. 4-23-17